

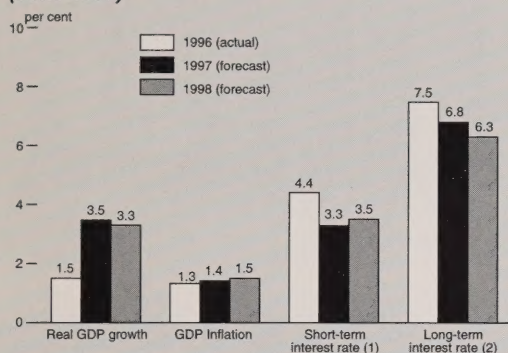
Government of Canada Securities

A Publication of the Department of Finance

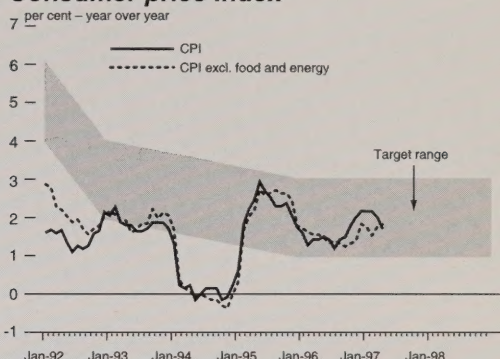
June 1997

Canadian Economy

OECD economic forecast for Canada (June 1997)



Consumer price index



3-month Treasury bill rates



10-year government bond rates



Upcoming economic data releases of interest

July

June Labour Force Survey
(July 11)

June CPI
(July 17)

August

July Labour Force Survey
(August 8)

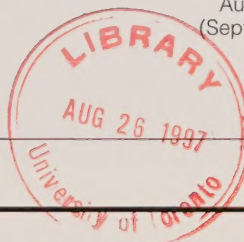
July CPI
(August 19)

1997 Q2 National Accounts
(August 29)

September

August Labour Force Survey
(September 5)

August CPI
(September 19)



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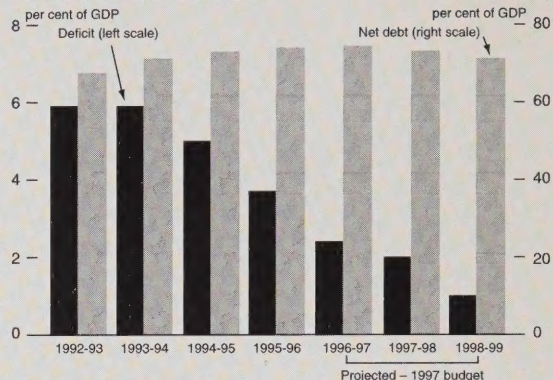
Canadian Economy

Selected Canadian economic statistics

	1995	1996	1996			1997
			Q2	Q3	Q4	Q1
Annualized growth rates						
Real gross domestic product	2.3	1.5	1.4	3.3	2.9	3.4
GDP excluding inventories	2.0	2.3	3.9	0.6	0.3	5.8
Final domestic demand	0.6	2.5	0.3	4.4	7.5	6.6
Employment	1.6	1.3	0.6	0.6	1.4	1.1
Other						
Unemployment rate	9.5	9.7	9.6	9.8	9.9	9.6
Current account balance (per cent of nominal GDP)	-1.0	0.5	1.2	0.8	-0.3	-0.6

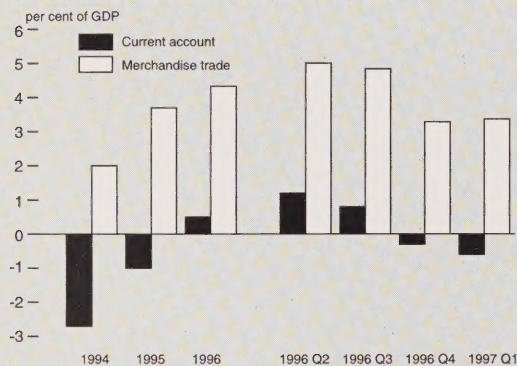
Source: Statistics Canada.

Government of Canada net debt and deficit

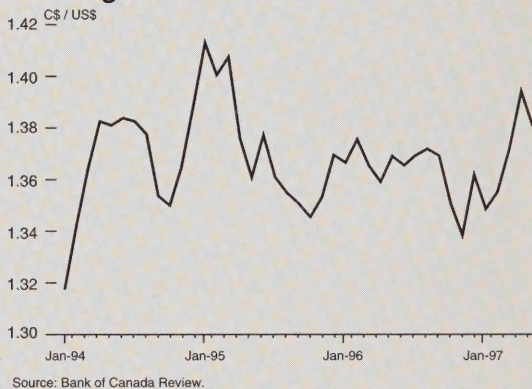


Source: Department of Finance.

Canada's current account balance and merchandise trade balance

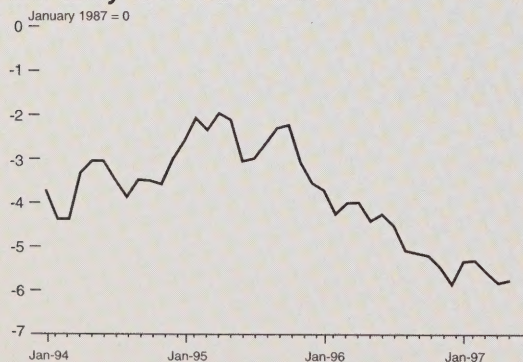


Exchange rate



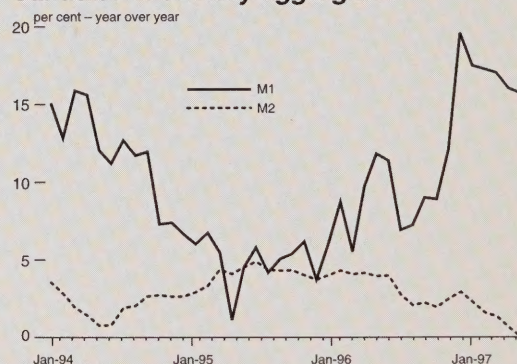
Source: Bank of Canada Review.

Monetary conditions index



Source: Bank of Canada.

Canadian monetary aggregates

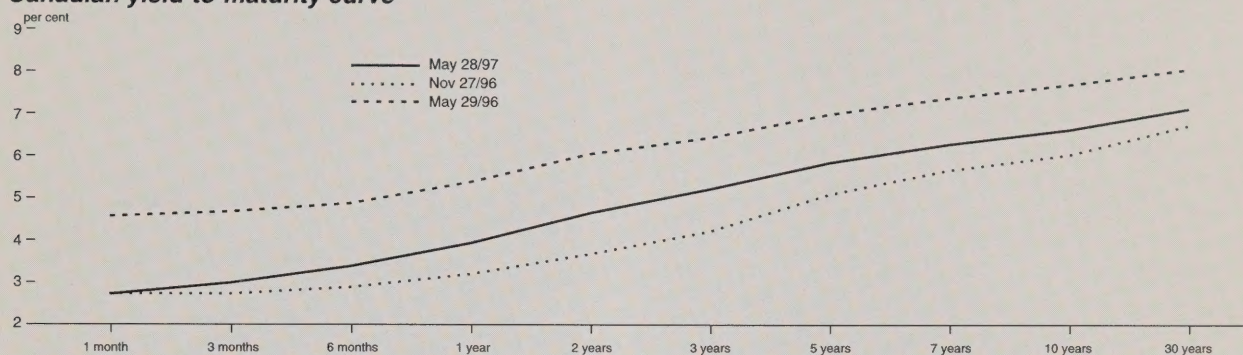


Source: Bank of Canada Review.

Government of Canada Securities

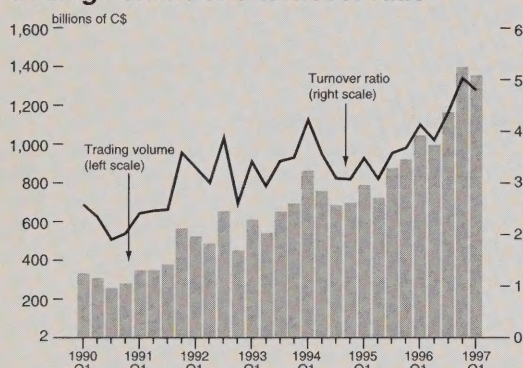
Secondary Market

Canadian yield-to-maturity curve



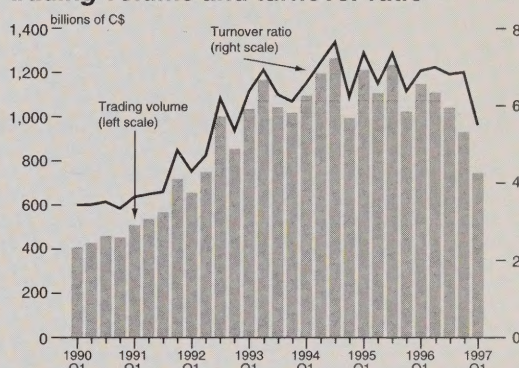
Source: Bank of Canada Review.

Government of Canada bonds trading volume and turnover ratio



Trading volume is total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Government of Canada Treasury bills trading volume and turnover ratio



Trading volume is total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Primary Distributors

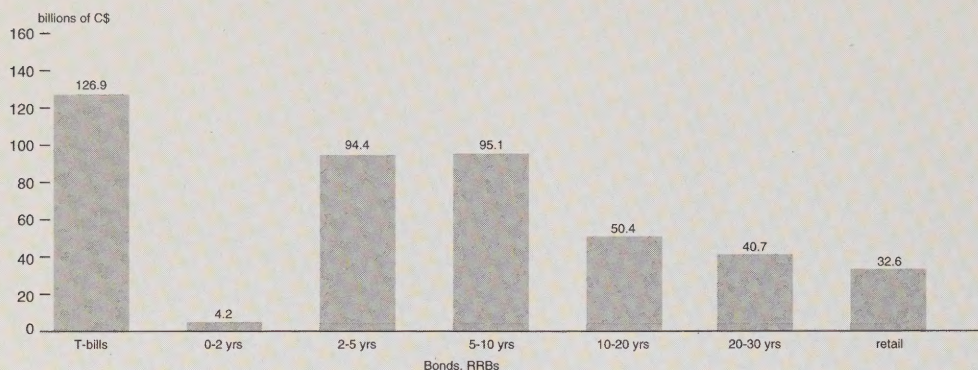
- Bank of America Canada
- Bank of Montreal (Treasury bills only)
- Beacon Securities
- BLC Securities Inc.
- La Caisse centrale Desjardins
- Canadian Imperial Bank of Commerce (Treasury bills only)
- Casgrain & Company Limited
- CIBC Wood Gundy Securities Inc. (marketable bonds only)
- CTI Capital Inc.
- Deutsche Morgan Grenfell Limited
- First Canada Securities Limited
- Golden Capital Securities Limited
- Goldman Sachs Canada
- Hongkong Bank of Canada
- Lehman Brothers Canada Inc.

- Lévesque Beaubien Geoffrion Inc.
- Merrill Lynch Canada Inc.
- Midland Walwyn Capital Inc.
- J.P. Morgan Securities Canada Inc.
- Morgan Stanley Canada Limited
- Nesbitt Burns (marketable bonds only)
- Odium Brown Limited
- C.M. Oliver & Company Limited
- RBC Dominion Securities
- Salomon Brothers Canada Inc.
- ScotiaMcLeod Inc.
- Société Générale Valeurs Mobilières Inc.
- Tassé & Associates, Limited
- The Toronto-Dominion Bank
- Whalen, Béliveau & Associates Inc.

Government of Canada Securities

Primary Market

Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt (as of May 28, 1997)



Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage	Tail
	(years)		(%)	(millions of dollars)		(%)		(basis points)
Apr 23/97	30	Jun 1/27	8.00	1,300	108.34	7.31	2.36	0.4
May 7/97	10	Jun 1/07	7.25	2,400	104.27	6.66	2.06	4.0
May 28/97	5	Sep 1/02	5.50	2,600	97.40	6.09	2.14	0.8
Jun 4/97	30	Dec 1/26	4.25*	500	95.94	4.50	1.59	n.a.
Jun 11/97	2	Sep 15/99	4.75	3,500	99.85	4.82	2.10	0.7

Coverage is defined as the ratio of total bids at auction to the amount auctioned.

Tail is defined as the high accepted yield minus the average yield.

*Real Return Bonds.

Source: Department of Finance.

Forthcoming Government of Canada bond auctions

Type of issue	Auction date (1997)	Further details of issue (1997)	Dated and delivered (1997)	Amount maturing
				(millions of dollars)
30-year auction*	July 23	July 17	August 1	—
10-year auction*	August 6	July 31	August 15	—
5-year auction*	August 27	August 21	September 2	—
RRB auction**	September 3	August 28	September 8	—
2-year auction*	September 10	September 4	September 15	5,400

*Quarterly issue.

**Single-price auction format.

Government of Canada Securities

Primary Market

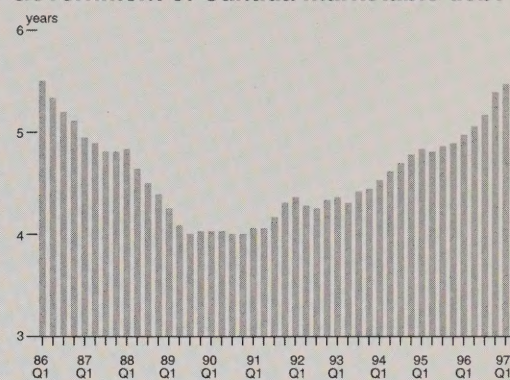
Government of Canada bond market benchmarks (June 4, 1997)

Term	Maturity	Coupon (%)	Amount outstanding (millions of dollars)	Yield June 4/97 (%)
Fixed coupon				
2-year	Mar 15/99	4.00	6,000	4.50
5-year	Sep 1/01	7.00	10,600	5.69
10-year	Jun 1/07	7.25	9,500	6.50
30-year	Jun 1/27	8.00	7,100	7.01
Real return				
30-year	Dec 1/21	4.25	5,175	4.31

The normal bid-ask spread on these bonds is 5 cents.

Source: Department of Finance.

Average term to maturity of Government of Canada marketable debt



Forthcoming Government of Canada marketable bond maturities

July-September 1997	October-December 1997	January-March 1998	April-June 1998	July-September 1998
(millions of dollars)				
9,600	2,775	14,722	0	12,800

Outstanding Government of Canada/ U.S. dollar-denominated debt (as of May 31, 1997)

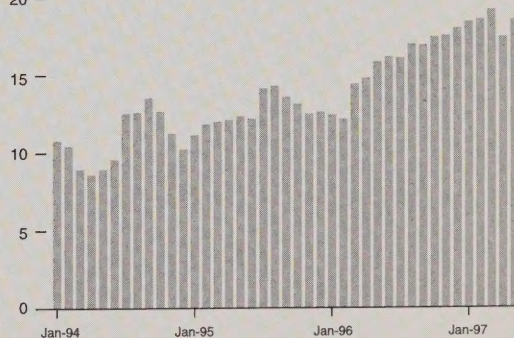
(millions of U.S. dollars)

Canada bills	5,437
Canada Notes	1,302
Floating rate note maturing February 1999 (paying LIBOR less 25 basis points)	2,000
6½% notes maturing July 7, 1997	2,000
6½% bonds maturing May 30, 2000	1,500
6½% bonds maturing May 30, 2001	1,000
6% bonds maturing July 21, 2005	1,500
6% bonds maturing Aug 28, 2006	1,000

Source: Department of Finance.

Canada's level of liquid foreign reserves

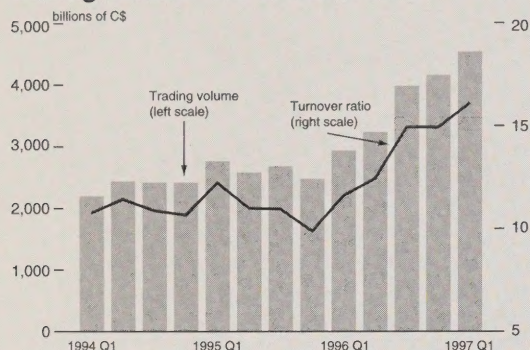
billions of U.S. dollars



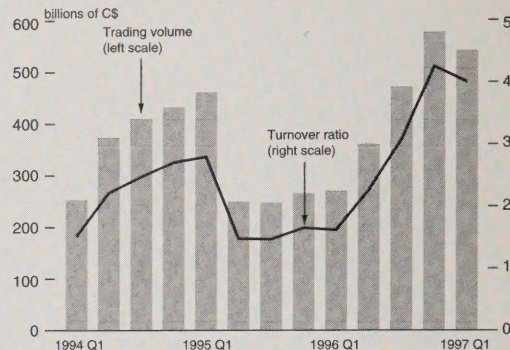
Government of Canada Securities

Secondary Market

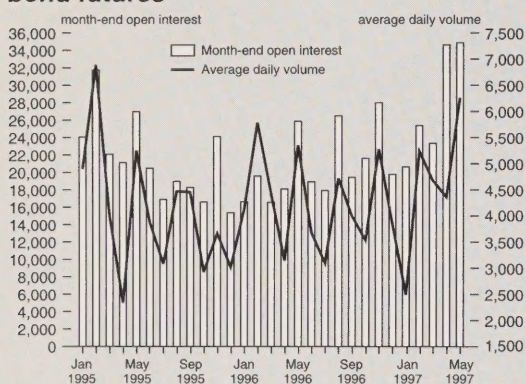
Government of Canada bond repos trading volume and turnover ratio



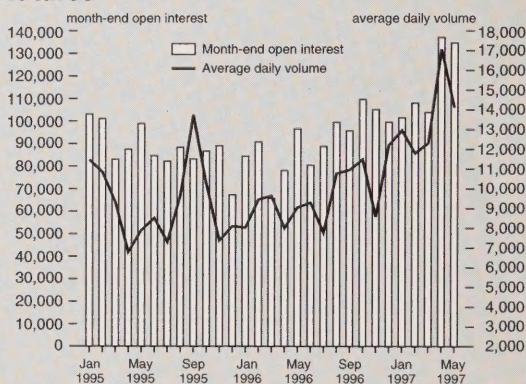
Government of Canada Treasury bill repos trading volume and turnover ratio



10-year Government of Canada bond futures



3-month bankers acceptance futures



Government of Canada long-term credit ratings (as of June 2, 1997)

	Standard and Poor's	Moody's Investor Service	Canadian Bond Rating Service	Dominion Bond Rating Service
Domestic Debt	AAA	Aa1	AA+	AAA
- Trend	Stable	-	Stable	Negative
Foreign Debt	AA+	Aa2	-	AA(high)
- Trend	Stable	-	-	Negative

This publication is also available on the Internet at <http://www.fin.gc.ca/>

Except as noted, the information in **Government of Canada Securities** is based upon data available as of May 31, 1997.

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Cet imprimé est également disponible en français.



Department of Finance Canada
Ministère des Finances Canada

